

Drawdown Review Checklist

This 'Checklist' is designed to help you with your client conversation when reviewing their income requirements. It should not be seen as advice.

There may be other factors worth looking at such as: • any Defined Benefit transfers (DB) • guaranteed benefits • your client's aims and objectives • their current personal circumstances.

Client name

Adviser name

Drawdown File

Date of review

Plan start date

Client stated Normal Retirement Age (NRA)

1. Drawdown file review FCA sense-check

Please tick ✓ your answers.

Does the client understand the nature/extent of their review? (What?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Is the client clear as to the rationale for the review? (Why?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Is the client clear as to the charging basis for their review and are the fees for this proportionate with ongoing work involved? (Cost?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Is the review being conducted on time? (When?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Does this review fully fulfil your obligations under our servicing agreement with the client?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If any of the answers to the questions above are **No** or require further explanation, please record the remedial action in the box below:

Does the client's plan contain any benefits previously transferred over from a DB scheme?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Was the advice outsourced?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Is the service of a pension transfer specialist (PTS) required for this review and the ongoing services in relation to the DB transfer?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If you have had to re-engage the use of a PTS, please capture any recommendations made by them below:

This is just for UK advisers – it's not for use with clients.

2. Personal/Family circumstances update

Does the client have any changes in their • Health status/Life Expectancy • Family circumstances • Inheritances received or anticipated. If yes, discuss any planning implications and confirm if:

Ongoing risks have been discussed	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Drawdown remains appropriate (is there a requirement for secure income and at what level?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
An Annuity rate discussion/purchase and comparison has been undertaken	N/A <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

What was the outcome of the discussions, why does the client not wish to secure an income at present? Please record in the box below.

If any of the answers to the questions above are **Yes** or require further explanation, please record the remedial action in the box below:

3. Client's needs, aims and objectives

Sense check the client's originally stated objectives, and that their plan continues on track.

Sustainability of current income levels discussed/reviewed for income and sustainability?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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If the answer to the above question is **Yes**, please record the remedial actions for both questions below:

Any changes to income or lump-sum requirements in short/medium/longer term?

Has Retirement Modeller and/or cash-flow analysis been updated in real terms with stress and longevity testing and discussed with the client for any changes?

If drawdown was tax-free cash only at inception, is there now a requirement for income? (e.g. changes to existing/prospective outgoings/changes to tax expected/anticipated)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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If the answer to the above question is **Yes**, or requires further explanation, please record the remedial action in the box below:

4. Attitude to risk review (required)

Has attitude to risk and capacity for loss changed since inception/last review?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Have you explained the concept of risk in a way that your client is likely to understand?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Have you assessed risk for the client?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Have you described risk to the client and does the client understand the importance of diversification amongst asset classes? If they do have a preference to invest in a single asset class or non-regulated investment are they aware of the extra risk this creates?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Have you discussed risk with the client and could the client replay these discussions to you to demonstrate their understanding, and have you recorded this?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Retail conduct risk outlook factors

Does the client understand:	
The effect of insufficient fund growth i.e. capital erosion	<input type="checkbox"/>
Annuity rates may be less in the future	<input type="checkbox"/>
High levels of income might not be sustainable and what happens if the fund falls and money needs to be taken from somewhere?	<input type="checkbox"/>
Investment returns maybe less than those shown in the illustration	<input type="checkbox"/>
The effects of inflation	<input type="checkbox"/>
Risk of legislative changes	<input type="checkbox"/>
Cost of charges and advice	<input type="checkbox"/>
Scam Risk	<input type="checkbox"/>

Has the client considered:	
Existing and prospective outgoings	<input type="checkbox"/>
Tax status now and in the future	<input type="checkbox"/>
Death benefit provision	<input type="checkbox"/>
Health status and view on longevity including family history	<input type="checkbox"/>
Future annuity rates and product design	<input type="checkbox"/>

Use the box below to summarise any details:

5. Discussion of risk sentiment at review

How does the client feel regarding the performance of their fund(s) in the period since their last review?

Use the box below to summarise any details:

How does the client feel about investment risk and market volatility?

Use the box below to summarise any details:

6. Client investments – update

Performance of existing fund(s) vs target/expectations?

Do existing funds remain suitable?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Is a fund alteration or realignment required?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If the answer to the questions are **Yes** or require further explanation, please record the remedial action in the box below:

7. Death Benefits – Client Considerations

Please record in the box below that:

a) The expression of wish/nomination is clear as to who the dependants/nominees are and is up to date? Have you also checked that this in line with the scheme rules?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
b) Potential dependants, nominees, successors, executors and personal representatives are aware of the client's expressed intentions?			
Has the client achieved age 75?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes are they aware of death benefit taxation implications?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Has the requirement for Spousal Bypass trust changed?	N/A <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If any of the answers to the questions above are **Yes** or require further explanation, please record the remedial action in the box below:

8. Summary

Document and diarise any actions required from review findings and timescales:

Date of next regular review scheduled (unless ad-hoc review required)

Is the review being conducted on time? (When?)

D	D	M	M	Y	Y	Y	Y
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Use the box below to summarise any details: